

The Bonding Reform and Taxpayer Protection Act of 2021

Congressman Lowenthal (D-CA)

Section-by-Section

Section 2. Surface Disturbance and Reclamation

- Eliminates the ability for a company to provide a single bond to cover all leases or operations nationwide;
- Increases minimum oil and gas bonding amounts to \$150,000 and \$500,000 for all of an operator's wells on an individual lease and in a state, respectively;
- Requires that minimum bond amounts be adjusted regularly (at least every three years) for inflation;
- Codifies BLM IM No. 2019-014, which requires the agency to review the adequacy of oil and gas bonds at least every five years and to increase bond amounts when necessary;
- Requires the submission of interim and final reclamation plans with each drilling permit application

Section 3. Changes to BLM Permit Processing Improvement Fund

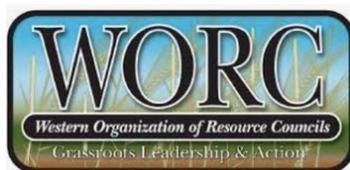
The BLM Permit Processing Improvement Fund collects a portion of mineral development revenues and uses it to support BLM's oil and gas permitting program. Section 3 changes the name of the Fund to the "BLM Administration and Accountability Fund," and expands the use of the Fund to include activities related to tracking and inventorying orphaned wells, reviewing bonds, and environmental reviews.

Section 4. Inspection Fees

Requires companies to pay annual user fees to cover the cost of the onshore oil and gas inspection program. The fees are set at \$700 for leases without active wells, \$1,225 for leases with 1-10 wells, \$4,900 for leases with 11-50 wells, and \$9,800 for leases with more than 50 wells. Bonds will not be released to operators until the appropriate inspection fees have been paid. Companies operating offshore already pay inspection fees, but companies onshore do not.

Section. 5. Bonding Equity for National Wildlife Refuge System Lands

Under existing law, the Fish and Wildlife Service (USFWS) cannot directly retain bonds; instead, the bond is retained by the Treasury. This section provides the USFWS with the authority to retain bonds for oil and gas activities that occur in instances of split-estate (non-Federal minerals) within the National Wildlife Refuge System, and to use the bonds for reclamation purposes if the operator fails to reclaim the land or if the operator goes bankrupt.



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